



# BUDGET MEMO #35

DATE: April 25, 2013

TO: The Honorable Mayor and Members of the City Council

FROM: David Hodgkins, Assistant City Manager/Director of Finance  
Jennie Tripoli, Assistant Director of Finance

THROUGH: Robert Sisson, City Manager *RS*

SUBJECT: Contributions to the City's Supplemental Defined Benefit Retirement Plan

Councilman DeMarco requested information on how much the City has contributed to its supplemental defined benefit retirement plan. The contribution dollars and rates, along with the unfunded liability from 2010 through 2014 are listed below.

The contribution rate is the percentage of base salary the City contributes for full-time and part-time employees. The unfunded liability was negative for many years due to robust gains prior to the recession in 2008 and 2009, when the plan experienced large losses. These losses, sluggish gains in subsequent years, and updated actuarial assumptions resulting from the latest five-year study, are the reasons the contribution rates have increased dramatically over the periods shown.

Contributions by City into Supplemental Plan				
Fiscal Year	Public Safety	General	Total	Change
2010	\$ 368,301	\$ -	\$ 368,301	\$ 368,301
2011	\$ 415,174	\$ 188,245	\$ 603,419	\$ 235,118
2012	\$ 723,686	\$ 262,936	\$ 986,622	\$ 383,203
2013	\$ 867,347	\$ 537,139	\$ 1,404,486	\$ 417,864
2014	\$ 1,759,998	\$ 885,170	\$ 2,645,168	\$ 1,240,682

Fiscal Year	Contribution Rate		Unfunded Liability	
	Public Safety	General	Public Safety	General
2010	3.38%	0.00%	-4.60%	-5.91%
2011	6.14%	1.21%	-1.86%	-4.24%
2012	7.18%	1.80%	-0.66%	-3.62%
2013	7.85%	3.52%	-0.26%	-2.09%
2014	15.49%	5.17%	7.50%	0.01%